

Phillips County FSA News

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Newsletter No. 08-02

July, 2008

Critical Feed Use – CRP Haying and Grazing

USDA has announced that certain acreage enrolled in CRP would be available for haying and grazing after July 15th which is the end of the primary nesting season for Colorado.

The current food and feed shortage is unique in that the situation is not caused primarily by a prolonged drought or other natural disaster and would not normally be considered a managed or emergency haying/grazing activity. Therefore, CRP haying and grazing is authorized under a new program called ***Critical Feed Use***.

Modification of the CRP conservation plan must be obtained from Natural Resource Conservation Service (NRCS) to provide for haying or grazing in a manner that is consistent with the conservation goals of CRP. The modification must be signed by all CRP participants. The land will be subject to a site inspection to ensure compliance with the conservation plan. Acreage is only

eligible 12 months after the cover is fully established.

A big change is that producers only need to pay a **\$75 administrative fee** for each contract. Fees are non-refundable and must be paid prior to approval.

CRP participants may use their CRP acreage or may lease the privilege to any other individual. No more than 50% of a field may be hayed. CRP participants must leave at least 25% of each field ungrazed or the entire acreage may be grazed if the stocking rate is reduced to 75%.

Interested producers may begin requesting modifications of their conservation plans on **June 2nd**. Haying or grazing may not be started until the later of July 15th or written notification of approval. All hay and livestock must be removed by the date specified in the modified conservation plan but no later than November 10, 2008.

Participants must re-establish, at their own expense, any cover destroyed or damaged as a result of critical feed use.

2008 DCP

The Food, Conservation, and Energy Act of 2008 (Act), Pub. L. 110-234, was enacted into law on May 22, 2008. The Act provides for the following:

- continuing DCP for 2008 through 2012
- authorizes an Average Crop Revenue Election (ACRE) Program for 2009 through 2012.

Federal regulations and program policies and procedures are currently being drafted and developed and will be finalized over the next several months.

DCP Base acres in effect on September 30, 2007, will be in effect for 2008 DCP. For

2009, pulse crops will be added as a covered commodity. Pulse crops are defined as chickpeas, dry peas and lentils.

Yields established under the 2002 Act will remain in effect.

Payment acres for direct payments only were reduced from 85% to 83.3% of the base acres for 2009, 2010 and 2011. All other payment acres remain at 85% of the applicable base acres including counter-cyclical.

The Act prohibits DCP program payments to farms where the sum of the base acres on the farm is 10 acres or less.

Direct payment rates remain unchanged from the 2002 Act.

Crop	Direct Payment Rate
Wheat	\$0.52/bu.
Corn	\$0.28/bu.
Grain Sorghum	\$0.35/bu.
Barley	\$0.24/bu.
Oats	\$0.024/bu.
Other oilseeds	\$0.80/cwt.
Soybeans	\$0.44/bu.

The payment limitation amount for direct payments received, directly or indirectly, by a person or legal entity for crop years 2008 through 2012 is \$40,000.

The payment limitation amount for counter-cyclical payments received, directly or indirectly for crop years 2008 through 2012 is \$65,000.

Payment limitation amounts will be adjusted for participation in the ACRE program in years 2009 through 2012.

ACRE Program

The Act authorizes ACRE Program payments. In crop years 2009 through 2012,

producers who make an irrevocable election to receive ACRE Program payments will:

- **not** receive counter-cyclical payments on the farm
- be subject to a 20 percent reduction in direct payments for all covered commodities
- be subject to a 30 percent reduction in marketing assistance loan rates for all covered commodities.

Note: The ACRE Program is **not** available until 2009. More information will be provided at a later date.

Target prices for covered commodities for the 2008 Act are as follows.

Crop	2008	2009	2010 - 2012
Wheat	\$3.92/bu	\$3.92/bu	\$4.17/bu
Corn	\$2.63/bu	\$2.63/bu	\$2.63/bu
Grain Sorghum	\$2.57/bu	\$2.57/bu	\$2.63/bu
Barley	\$2.24/bu	\$2.24/bu	\$2.63/bu
Oats	\$1.44/bu	\$1.44/bu	\$1.79/bu
Other oilseeds	\$10.10/cwt	\$10.10/cwt	\$10.50/cwt
Soybeans	\$5.80/bu	\$5.80/bu	\$6.00/bu

Planting flexibility is allowed similar to what it was in the 2002 Act.

New Payment Eligibility and Payment Limitation

The Food, Conservation, and Energy Act of 2008 (Act), Pub. L. 110-234, makes changes to the provisions for payment eligibility, payment limitation, and adjusted gross income (AGI).

Under the Act, the actively engaged in farming requirements remain applicable, the 3-entity rule is eliminated; payments are limited through direct attribution to the individual and entity, instead of by "person" as previously defined; and the AGI limitation is changed.

The majority of these changes will be implemented for the 2009 and subsequent program years. For 2008 programs, the current rules for payment eligibility, payment limitation, and AGI remain applicable.

Beginning with 2009 under attribution, payment limitation is applied by crediting individuals and entities with both the amount of payment they receive directly and also the amount they are considered to have received indirectly by holding an interest in an entity receiving payment.

For the 2009 DCP, there are no "person" determinations nor is there a restriction on the number of entities through which an individual may hold an interest that also receive payment.

Average ***Adjusted Gross Income (AGI)*** limitations for 2009 payment eligibility apply to both individuals and entities.

For commodity and price support programs, if the individual or entity has:

- nonfarm AGI greater than \$500,000, the individual or entity is **not** eligible for DCP or price support benefits
- farm AGI greater than \$750,000, the individual or entity is **not** eligible for direct payments under DCP.

For conservation programs, if the individual or entity has:

- total AGI greater than \$1 million, the individual or entity is **not** eligible unless 66.66 percent is derived from farming, ranching, and forestry operations, as defined
- nonfarm AGI greater than \$1million, the individual or entity is **not** eligible for conservation program benefits.

New Disaster Assistance Programs

The 2008 Act amended the Trade Act of 1974 to create:

- an agricultural disaster relief trust fund ("trust fund")
- supplemental agricultural disaster assistance programs.

Many provisions of the 2008 Act are effective for 2008. Federal regulations and program policies and procedures are currently being drafted and developed and will be finalized over the next several months.

Funds from the trust fund may be used to make payments to farmers and ranchers under the following 5 new disaster assistance programs:

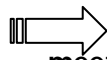
- Supplemental Revenue Assistance Payments (SURE) Program
- Livestock Forage Disaster Program (LFP)
- Livestock Indemnity Program (LIP)
- Tree Assistance Program (TAP)

- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (EALHF) Program.

A producer on a farm shall **not** be eligible for assistance under the SURE Program, the EALHF Program, or TAP if the producer on the farm did **not** purchase or obtain the following for:

- insurable commodity on the farm, a policy or plan of insurance under the Federal Crop Insurance Act, excluding a crop insurance pilot program under that Act
- noninsurable commodity on the farm, filed the required paperwork, and paid the administrative fee by the applicable State deadline, for the noninsured crop assistance program (NAP).

To be eligible for LFP producers must have purchased pasture insurance coverage through either the pilot program or NAP.

 **For 2008, producers who do not meet this requirement may have this provision waived if the producer pays a fee in an amount applicable to the noninsured crop disaster assistance program fee or catastrophic risk protection plan fee by no later than August 20, 2008.**

CRP

On May 22, 2008, the Food, Conservation, and Energy Act of 2008 (2008 Act) became law.

The 2008 Act generally:

- updated certain CRP provisions
- provided new authority for the Farmable Wetlands Program (FWP), cost-share for thinning tree stands, and transition incentives
- provided authority to continue CRP operations under previous authorities through September 30, 2008.

Cropping history for CRP eligibility will shift from 1996-2001 to 2002-2007.

Weed Control on CRP

With the start of the new growing season comes a new growth of weeds. Remember to check CRP for weed growth throughout the growing season. Weeds must be controlled to the extent they do not adversely impact the required cover or surrounding land owners.

County Committee Election

The Farm Service Agency (FSA) will be conducting its annual committee election in November 2008. FSA County Committees represent farmers in their local communities and make decisions on crop bases and yields, commodity loans, conservation programs, disaster payments and other federal farm assistance programs. The current County Committee consists of 3 members elected from 3 Local Administrative Areas (LAA's) or districts. The LAA that is up for election this year is LAA 1 which is the area east of county road 47, down to county road 22 then west to county road 41, south to the county line.

NOMINATIONS for County Committee are accepted through August 1, 2008. A nomination form is included in this newsletter for your convenience. If nominating yourself or another eligible candidate, please complete the form provided with this newsletter and return to this office. Nomination petitions and fact

sheets are also available at <http://www.fsa.usda.gov/FSA> under the News & Events tab. We encourage all producers to take an active roll in nominating and voting for the candidate of your choice. Please use the form included in this newsletter to make your nomination. You may nominate yourself or someone else but in either case the nominee must sign. A candidate is eligible to hold office on the county committee if they reside in the County and have their farming interest administered in the LAA for which they are a candidate. A candidate has the option to request that all voted ballots for an individual county committee election be returned to the State Office in lieu of being returned to the county office. This request must be in writing and submitted to the local County Executive Director prior August 1. The County is actively seeking members of socially disadvantaged groups as nominees for COC elections.

Important COC Election Dates in 2008:		
Date	Election Deadline	
August 1	Final date to Nominate	
November 3	Ballots mailed to eligible voters	
December 1	Completed ballots to be returned or post-marked to local office	
January 1	Elected member and alternate take office.	

Candidate Eligibility

To hold office as a county committee member, a person must meet the basic eligibility criteria:

- Participate or cooperate in a program administered by FSA
- Be eligible to vote in a county committee election
- Reside in the LAA in which the person is a candidate

Not have been:

- Removed or disqualified from the office of county committee member, alternate or employee
- Removed for cause from any public office or have been convicted of fraud, larceny, embezzlement or any other felony
- Dishonorably discharged from any branch of the armed services.

FSA-669A
(02-25-08)U.S. Department of Agriculture
Farm Service Agency**NOMINATION FORM FOR COUNTY FSA COMMITTEE ELECTION**

1. NAME OF NOMINEE (Type or print Nominee's Full Name)		TO BE COMPLETED BY COUNTY FSA OFFICE
2. ADDRESS OF NOMINEE		
3. NOMINEE'S CERTIFICATION <i>I hereby agree to have my name placed on the ballot, that I will serve if elected, and if there is a conflict of interest, I will resign such position.</i> <input type="checkbox"/> I DO want to witness the settling of tied votes with another nominee. <input type="checkbox"/> I DO NOT want to witness the settling of tied votes with another nominee.		5. INITIALS OF EMPLOYEE RECEIVING FORM AND DATE (MM-DD-YYYY)
		6A. COUNTY
		6B. LAA NO.
		7. STATE
4A. SIGNATURE OF NOMINEE	4B. DATE (MM-DD-YYYY)	DATE OF ELECTION IS 1st MONDAY OF DECEMBER OF EACH CALENDAR YEAR

8. TO BE COMPLETED BY NOMINEE

VOLUNTARY INFORMATION FOR MONITORING PURPOSES: The following information is requested by the Federal Government in order to monitor FSA's compliance with federal laws prohibiting discrimination against program participants on the basis of race, color, national origin, religion, sex, marital status, handicapped condition, or age. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your nomination or to discriminate against you in any way.

<u>ETHNICITY</u> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	<u>RACE (Choose as many boxes as applicable)</u> <input type="checkbox"/> America Indian or Alaska Native <input type="checkbox"/> Black or African-American <input type="checkbox"/> Asian <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	<u>GENDER</u> <input type="checkbox"/> Male <input type="checkbox"/> Female
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INSTRUCTIONS FOR COMPLETING THIS FORM

Complete the form as follows:

ITEM 1 Type or Print the nominee's full name. The nominee must be:

- A. Eligible to vote in the designated County FSA Committee election.
- B. Eligible to hold the office of County FSA Committee member.
- C. Willing to serve if elected.

ITEM 2 Enter the nominee's current address.**ITEM 3** The nominee must check one of the boxes to indicate a preference regarding the settling of tied votes.**ITEM 4** The nominee must sign and date.**ITEM 8** Completing this item is voluntary.**ALL FORMS MUST BE RECEIVED IN THE COUNTY OFFICE OR POSTMARKED BY AUGUST 1.**

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 7. The information will be used to obtain nominees for County FSA Committee.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0229. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

PROGRAM	MAXIMUM LOAN AMOUNT	RATES AND TERMS	USE OF PROCEEDS
Direct Farm Ownership	\$300,000	<ul style="list-style-type: none"> Up to 40 years Rates based on Agency borrowing costs Temporary limited resource interest rates are available for those unable to repay at regular rates <ul style="list-style-type: none"> Interest rate 5% if 50% of loan amt. provided by other lender 	Purchase land Construct buildings or other improvements Soil and water conservation
Beginning Farmer Down Payment Farm Ownership	Lesser of: 40% purchase price or appraised value	<ul style="list-style-type: none"> Term: 15 year Interest rate: 4% 10% of Purchase Price 	Purchase farm or ranch
Direct Operating	\$300,000	<ul style="list-style-type: none"> From 1 to 7 years Rates based on Agency borrowing cost Temporary limited resource interest rates are available for those unable to repay at regular rates 	Purchase livestock, poultry, equipment, feed, seed, farm chemicals, and supplies Soil and water conservation Refinancing indebtedness with certain limitations
Direct Emergency	100% actual physical losses or \$500,000 maximum program indebtedness	<ul style="list-style-type: none"> From 1 to 7 years for non-real estate purposes Up to 40 years for physical losses on real estate Interest rate: 3.75% 	Restore or replace essential property Pay all or part of production costs associated with the disaster year Pay essential family living expenses Reorganize the farming operation Refinancing indebtedness with certain limitations
Guaranteed Operating	\$949,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> From 1 to 7 years Rates not to exceed those lenders charge average farm customers Interest rate reduction of 4% available for those unable to repay at regular rates (with certain limitations) 	Same as Direct Operating except loan may be used to refinance debts
Guaranteed Farm Ownership	\$949,000 (Amount adjusted for inflation)	<ul style="list-style-type: none"> Up to 40 years Rates not to exceed those lenders charge average farm customers 	Same as Direct Farm Ownership except loan may be used to refinance debts

FARM LOAN INFORMA TION

Socially Disadvantaged Applicant (SDA). An applicant who is a member of a socially disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as a member of a group, without regard to their individual qualities. For entity SDA applicants, the majority interest in the entity must be held by socially disadvantaged individuals. The Agency has identified socially disadvantaged groups as Women, Blacks, American Indians, Alaskan Natives, Hispanics, Asians, and Pacific Islanders. Revised 11-17-03, FSA PN Issue No. 178.)

Beginning Farmer or Rancher:
A beginning farmer or rancher is an individual or entity who (1) has not operated a farm or ranch for more than 10 years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and (4) for FO loan purposes, does not own a farm greater than 30 percent of the average size farm in the county. (Note: all applicants for direct FO loans must have participated in business operation of a farm for at least 3 years.) If the applicant is an entity, all members must be related by blood or marriage, and all stockholders in a corporation must be eligible beginning farmers.

COC Meeting Dates

The Phillips County FSA County Committee meets at 8:30 A. M. on the second Wednesday of each month at the U.S.D.A. Service Center conference room.

OFFICE HOURS

8:00 A.M. TO 4:00 P.M. - MONDAY THROUGH FRIDAY

Special accommodations will be made, upon request, for any individual with disabilities, vision impairment, or hearing impairment. If special accommodations are needed, please contact County Executive Director, Ron Koberstein, at (970) 854-2812 Ext. 2.

Ronald Koberstein, County Executive Director

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at 202-720-2600 (voice and TDD).

"To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 TDD). USDA is an equal opportunity provider and employer."

United States Department of Agriculture
Phillips County Farm Service Agency
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